



U.S. Immigration
and Customs
Enforcement

Backgrounder

Worksite Enforcement

June 16, 2006

Overview

ICE is significantly enhancing its worksite enforcement efforts as part of its interior enforcement strategy. What is changing is ICE's strategy. ICE is bringing criminal prosecutions and using asset forfeiture as tools against employers of illegal aliens far more than the former U.S. Immigration and Naturalization Service (INS), which tended to rely on administrative fines as a sanction against such activity. Criminally charging and seizing the assets of unscrupulous employers will create the kind of deterrence that was previously absent in worksite enforcement efforts.

The former INS devoted a large percentage of its investigative resources to enforcing administrative employer sanctions. Yet, the administrative fine process was not a deterrent to unscrupulous employers. Many businesses came to view these fines as the cost of doing business. Consistently, INS agents and legal support staff invested a large amount of time and investigative effort to issue a Notice of Intent to Fine against an employer for non-compliance, only to find that these fines were routinely ignored, not paid in a timely matter, or mitigated down to a far lesser amount over several years.

ICE has decided to pursue criminal prosecutions and, in some cases, seize assets derived from illegal activities as tools against unlawful employers. In these cases, ICE is moving to bring criminal charges of knowingly hiring illegal aliens, and whenever possible, criminal charges of money laundering and harboring illegal aliens. Money laundering is a felony with a potential 20 year prison sentence, while harboring illegal aliens carries a potential 10 year prison sentence. ICE has found these criminal sanctions to be a far greater deterrent to illegal employment schemes than administrative fines.

ICE Worksite Enforcement Statistics:

- The best measure of this new approach lies in the number of arrests for criminal violations that ICE has brought in worksite enforcement investigations. These criminal arrests in worksite enforcement cases have increased from a mere 24 in FY 1999 and 25 in FY 2002 under the old INS -- to 160 in FY 2004 to 176 in FY 2005, and to a record 382 thus far this fiscal year.
- Similarly, ICE has obtained record payments from companies through forfeiture and other court-ordered settlements as a result of worksite violations. These far exceed the amounts collected by the INS through administrative fines. Last year, for instance, ICE received \$15 million from Wal-Mart Stores, Inc. and 12 contract companies for worksite violations. This one payment in lieu of forfeiture was the largest single worksite penalty in U.S. history and is greater than the combined total of all the administrative worksite fines issued by the former INS for the prior eight years.
- In Fiscal Year 2004, ICE initiated 465 criminal worksite investigations and devoted 135,191 case hours to worksite enforcement investigations. These cases resulted in 160 criminal arrests, 67

criminal indictments and 46 criminal convictions. These efforts also resulted in the arrest of 685 individuals on administrative immigration violations. In total, ICE worksite enforcement investigations resulted in 845 arrests in FY 2004.

- In FY 2005, ICE initiated 511 criminal worksite investigations and devoted 146,350 case hours to worksite enforcement investigations. These cases resulted in 176 criminal arrests, 140 criminal indictments and 127 criminal convictions. Furthermore, these efforts resulted in the arrest of 1,116 individuals on administrative immigration violations. In total, ICE worksite enforcement investigations resulted in 1,292 arrests in FY 2005.
- Thus far this Fiscal Year (through May), ICE has already launched more than 219 criminal worksite investigations and devoted 167,346 case hours to worksite enforcement investigations. These cases have resulted in 382 criminal arrests, 82 criminal indictments, and 80 criminal convictions. Furthermore, these efforts have resulted in the arrest of 2,100 individuals on administrative immigration violations. In total, ICE worksite enforcement investigations have resulted in 2,482 arrests thus far this fiscal year.

FY 2007 Budget Enhancements:

The Administration's budget request for FY 2007 would provide \$41.7 million in new funds to ICE specifically to strengthen worksite enforcement efforts. The additional resources would support the hiring of an additional 171 special agents and 35 support personnel to enhance worksite enforcement investigations.

Recent ICE Criminal Worksite Enforcement Examples:

- **Great Wall Restaurant** – On June 9, 2006, the owner of the New Great Wall restaurant in Tacoma was sentenced in federal court to ten months in prison and three years of supervised release for concealing and harboring illegal alien employees. Jian Zhong Tang, 37, was also ordered by U.S. District Judge Franklin D. Burgess to pay more than \$38,000 in back wages to exploited employees at his restaurant.
- **Boston Cleaning Business** -- On May 12, 2006, Jose Neto, a businessman in Allston, Mass, was convicted of knowingly harboring illegal aliens who worked in his cleaning business. He had previously pleaded guilty to charges of attempting to bribe an ICE agent, inducing illegal aliens to reside in the country, and having a pattern or practice of knowingly employing illegal aliens. Neto, an illegal alien himself from Brazil, faces up to 15 years imprisonment, followed by 5 years of supervised release, and a \$250,000 fine.
- **Dragon Buffet Restaurants – (New York)** -- On May 11, 2006, Hui Guo, a lawful permanent resident alien and citizen of China, pleaded guilty in Albany, New York, to one count of hiring and harboring illegal aliens in connection with two Dragon Buffet chain restaurants he operated in the Albany area. He was first arrested in November 2005. The investigation into Guo was part of a larger ICE probe into Kun Cheng, who owned six Chinese buffet restaurants in the Albany area. Cheng was arrested in November 2004 for his part in the organization. To date, this investigation has resulted in the criminal arrest of 9 individuals, the administrative arrest of 84 illegal aliens and the seizure of approximately \$1.4 million and 11 vehicles.
- **Golden China Buffet** – On May 10, 2006, Jian, Lin, a Chinese restaurant owner and eight illegal alien workers that he was housing and transporting to and from work were arrested in Louisville, Kentucky. Jian Lin, the 32-year-old restaurant owner, and five illegal Chinese workers were arrested at the restaurant on immigration violations. Three other illegal workers — one Chinese and two

Mexican — were arrested at the Wilma Avenue residence that is owned by Lin and was used to house his workers.

- **Julio's Mexican Restaurants** -- On May 10, 2006, ICE agents in Missouri arrested the owner of two Mexican restaurants in Missouri and Iowa on criminal charges of knowingly hiring illegal aliens. ICE agents also arrested a total of 21 illegal aliens during the execution of search warrants on the restaurants. Investigation revealed that many of the employees had not been asked to complete any paperwork or provide documentation to work at the restaurants.
- **Fischer Homes Inc.** -- On May 9, 2006 ICE agents arrested four supervisors of Fischer Homes Inc. and 76 illegal alien workers at Fischer Homes construction sites in Kentucky. Headquartered in Kentucky, Fischer Homes is a leading builder of homes in Indiana, Kentucky, and Ohio, with annual sales of roughly \$200 million. The four Fischer Homes managers are charged in a criminal complaint with aiding and abetting, harboring illegal aliens for commercial advantage or private financial gain. The maximum possible punishment for the crime charged is up to 10 years imprisonment, \$250,000 or both. On May 11, several contractors and contract companies that provided illegal workers for Fischer Homes construction sites were indicted on criminal charges of harboring illegal aliens in connection with the scheme.
- **Operation Tarmac** -- On May 9, 2006, Karen Sue Rowell and Edward John Pitre, managers of Midwest Airport Services, were sentenced as a result of Operation Tarmac, an ICE critical infrastructure initiative targeting unauthorized employment at U.S. airports. Rowell received nine months federal incarceration and was ordered to pay a fine of \$5,000. Pitre received 15 months of federal incarceration and was ordered to pay a fine of \$1,000. On May 8, 2006, Midwest Airport Services and Service Performance Corporation were fined \$150,000 and \$600,000 respectively. In August 2005, Pitre was convicted for conspiracy to unlawfully harbor and shield illegal aliens from detection. Rowell pleaded guilty to aiding and abetting a false representation of U.S. citizenship.
- **Stucco Design** -- On May 2, 2006, Robert Porcisanu, the owner of an Indiana business that performed stucco-related services at construction sites in seven Midwest states was charged with money laundering, harboring illegal aliens, transporting illegal aliens, and false statements in connection with an illegal employment scheme. Porcisanu faces 40 years in prison. ICE is also seeking the forfeiture of \$1.4 million. His firm was allegedly able to undercut the bids of contractors to perform work at construction sites by taking advantage of cheap labor costs from the use of illegal alien employees.
- **Air Borne Express (ABX Air)** -- on April 26, ABX Air supervisor Douglas Steels pleaded guilty to charges of engaging in a pattern and practice of employing illegal aliens. He was sentenced to 6 months probation and a \$10,000 fine.
- **IFCO Systems North America**-- On April 19, 2006, ICE agents arrested seven current and former managers of IFCO Systems North America Inc, pursuant to criminal complaints in Albany, New York, charging them with harboring illegal aliens for financial gain. ICE agents also apprehended 1,187 of the firm's illegal alien employees during search warrants and consent searches executed at more than 40 IFCO locations nationwide. The arrests were the result of a year-long probe of IFCO, which determined that more than half of IFCO's employees during 2005 had invalid or mismatched Social Security numbers. IFCO is the largest pallet services company in the United States, based in Houston, Texas.
- **Kawasaki Sushi** -- On April 14, 2006, the operators of Baltimore's best-known sushi restaurants agreed to forfeit more than \$1 million and pleaded guilty to criminal charges of conspiracy to commit alien harboring and money laundering in connection with an illegal alien employment scheme. The

investigation found that the operators of the three Kawasaki restaurants in Baltimore exploited cheap, illegal labor to maximize profits in order to purchase new homes and luxury vehicles for themselves.

- **HV Connect** -- On April 11, 2006, a federal indictment was unsealed in Ohio charging two temporary employment agencies and nine individuals with hiring and harboring illegal aliens; mail and wire fraud; and laundering approximately \$5.3 million. The indictment alleged that HV Connect, Inc., and TN Job Service, Inc. provided hundreds of illegal alien employees to unwitting companies in Ohio by falsely representing that they were legal. The indictment also alleged that the owners of these agencies used the profits from this scheme build a new home and purchase jewelry for themselves.

#ICE#

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.